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C O N F I D E N T I A L BUENOS AIRES 000864

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EMBASSY VILNIUS FOR THOMAS P. KELLY
EMBASSY GUATEMALA FOR ALEX FEATHERSTONE

E.O. 12958: DECL: 05/03/2017
TAGS: [PGOV](#) [PREL](#) [AR](#) [MX](#) [BR](#)
SUBJECT: ARGENTINA: FOREIGN MINISTER TAIANA ON
ARGENTINA-MEXICO RELATIONS, KIRCHNER-LULA MEETING

REF: BUENOS AIRES 00855

Classified By: Ambassador E. Anthony Wayne for Reasons 1.4
(b) and (d).

11. (C) SUMMARY: On April 30, Foreign Minister Jorge Taiana briefed Ambassador Wayne on his recent trip to, and Argentine relations with, Mexico, as well as President Kirchner's meeting with Brazilian President Lula Ignacio da Silva. Taiana, who accompanied First Lady Cristina Kirchner to Mexico City, said that relations with Mexico are better than ever, with trade increasing 400 percent in the last six years. He also said that the meeting between Kirchner and Lula was positive, with both leaders spending several hours alone talking. Taiana expressed concerns over the polarization of debate over biofuels and fossil fuels. END SUMMARY.

12. (C) On April 30, Ambassador Wayne and poloffs called on Foreign Minister Jorge Taiana to discuss some key points that might be raised during First Lady Senator Cristina Fernandez de Kirchner's May 3-4 trip to Washington. The Ambassador highlighted the importance of supporting press freedom in Venezuela and raised the RCTV case; underscored USG concern over growing Venezuelan-Iranian ties; noted FBI's Interpol representative Tom Fuentes' visit to Buenos Aires and asked about next steps in the AMIA case; urged passage of counterterrorism finance legislation as the next step in Argentina's efforts to combat terrorism; urge passage of anti-trafficking in persons (TIP) legislation; encouraged eventual Congressional approval of this week's UNITAS exercise; and asked about the status of MFA translation of the Civair accord (REFTEL). Also in attendance from the Foreign Ministry was U/S for Political Affairs Vicente Espeche Gil.

First Lady's Trip to Mexico

13. (C) Taiana offered little comment on most points, but offered his impressions of his trip with First Lady Cristina

Fernandez de Kirchner to Mexico. Taiana said that President Kirchner has a good relationship with Mexican President Felipe Calderon, which is an improvement on relations with his predecessor Vicente Fox. He indicated that Calderon "does not want NAFTA to separate Mexico from the rest of Latin America." Taiana also added that the value of the Argentine-Mexican commercial relationship has increased 400 percent between 2000 and 2006, mostly due to Argentina's increased exports of auto parts and cars to Mexico. He said that Mexican investment in Argentina is very important, citing CTI telephone, FEMSA (a coca-coal distribution company), and Bimbo bread companies as major investors. Taiana explained that when CTI owner Carlos Slim invested in Argentina, he had one million subscribers; he now has over ten million customers. Taiana said that Argentine firm Techint, an oil production equipment producer, is also an important investor in Mexico. Taiana said that he thought Argentina and Mexico could fruitfully develop the "strategic partnership" that their officials have been exploring.

Energy Summit

14. (C) Turning to a discussion of the April energy summit in Venezuela, Taiana expressed concern over what he called the polarization of debate over biofuels and fossil fuels. He said that Argentina is mostly interested in its own market, where gas production has increased while other energy sectors have not. He said that Argentine reliance on natural gas is greater as a percentage than others in South America. He said that Argentina is looking at how to diversify its energy matrix, including nuclear, hydroelectric, and wind power, as well as biofuels. Argentina is not planning to develop sugar-based biofuels, but is looking seriously at

soy-based biofuels. He noted that Argentine law already promotes the production of biodeisel and that a large amount of soy is cultivated in the area of Rio Parana that will be used to produce soy biodeisel. In addition, colsa (canola) shows a lot of promise because one can obtain a greater amount of oil from colsa than from soybeans. Furthermore, colsa grows well in the winter, so it would not be necessary to displace the cultivation of wheat and other grains in favor of colsa. Taiana said Argentina would remain focused on assuring its energy security through a mix of supply sources and types of energy.

Lula-Kirchner Meeting Positive

15. (C) On Kirchner's April meeting with visiting President Lula, Taiana said both met in private for five hours and the visit was very positive. He stressed that the two had never spoken for so long in private. Taiana said that he had personally worked on setting up the meeting with his Brazilian counterpart Celso Amorim for a month. He said that both he and Amorim had hoped the two leaders together could meet in private to strengthen their relationship. (COMMENT: Relations between the two presidents have been strained since Lula has taken an apparent step back from close ties with Venezuelan President Hugo Chavez. END COMMENT.) Taiana said he had spoken with Kirchner, Lula, and First Lady Cristina Kirchner after the meeting, and all agreed it had gone well. He concluded by saying that the GOA should not let so much time pass before the two Presidents meet again to keep the positive momentum going.

16. (C) COMMENT: According to MFA contacts, Taiana is increasingly preoccupied with managing the Casa Rosada, which may help explain why he was more talkative about his trip to Mexico and President Kirchner's meeting with Brazilian President Ignacio Lula da Silva than most of the points raised in this meeting. Taiana was energetic and upbeat in his description of improving Argentine relations with both Mexico and Brazil, but acknowledged that the GOA still needs to build on these relationships. The positive outcome of

both the Mexico trip and the Lula meeting may be good points to raise with Fernandez de Kirchner during her May 3 visit to Washington to attend a dinner hosted by the American Jewish Council. We have been told that the MFA is increasingly interested in how Argentina can participate in the President's biofuels initiative, and the FM's observations on Argentina's biofuels potential may have been an effort to highlight its potential as a partner. SEPTTEL will report Ambassador's energy discussion with Planning Minister de Vido. END COMMENT.
WAYNE